(4)

No. 04-1219

IN THE

Supreme Court of the United States

JAMES W. NEWTON, JR.,
DBA JANEW MUSIC, PETITIONER

v.

MICHAEL DIAMOND; ADAM HOROWITZ; ADAM YAUCH, DBA BEASTIE BOYS; CAPITOL RECORDS, INC., A DELAWARE CORPORATION; GRAND ROYAL RECORDS, INC., A CALIFORNIA CORPORATION; UNIVERSAL POLYGRAM INTERNATIONAL PUBLISHING, INC., A DELAWARE CORPORATION; BROOKLYN DUST MUSIC, AN ENTITY OF UNKNOWN ORIGIN; MARIO CALDATO, JR., AN INDIVIDUAL; JANUS FILMS, LLC, A NEW YORK LIMITED LIABILITY COMPANY; CRITERION COLLECTION, A CALIFORNIA PARTNERSHIP; VOYAGER PUBLISHING COMPANY, INC., A DELAWARE CORPORATION; SONY MUSIC ENTERTAINMENT GROUP, A DELAWARE CORPORATION; BMG DIRECT MARKETING, INC., A DELAWARE CORPORATION; THE COLUMBIA HOUSE COMPANY, AN ENTITY OF UNKNOWN ORIGIN

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

REPLY BRIEF

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INTRODUCTION

Respondents' opposition to the petition for certiorari is remarkable for what it both admits and omits. Respondents essentially admit the audience issue is ripe for Supreme Court review, ignore the vast majority of authorities cited in the petition, and misconstrue the few cases they do cite. Ultimately, respondents merely quibble with the breadth of the existing circuit split (petitioner establishes an 8-3 split, while respondents concede a 6-2 split) and the result this Court should reach (i.e. whether the audience test should be clarified or abandoned). Respondents' opposition cannot obscure that the issue presented by the petition – whether the substantiality of sophisticated or complex aesthetic expression should be evaluated by an ordinary lay audience – reflects a gulf between the circuits, is of great public importance, and deserves Supreme Court review.

ARGUMENT

I. A Genuine and Acknowledged Circuit Split Exists Concerning the Audience Test

A. The Plain Language of the Ninth Circuit Opinion in *Newton* is Unambiguous

To avoid review, respondents argue the Ninth Circuit panel in *Newton* somehow did not mean what it explicitly and repeatedly said. In the majority opinion, the *Newton* court states "a use is de minimis only if the *average audience* would not recognize the appropriation" (App. 7a); the de minimis and substantial similarity tests both "look[] to the response

of the *average audience*, or *ordinary observer*, to determine whether a use is infringing" (App. 8a); and "we conclude that an *average audience* would not discern Newton's hand as a composer." (App. 15a) (emphasis added). Likewise, Judge Graber's dissent applies the "average audience" or "reasonable listener" standard. (App. 17a). These plain words speak for themselves. The Ninth Circuit used an ordinary lay audience test when evaluating the substantiality of petitioner's work. *See Dugger v. Adams*, 489 U.S. 401, 416 n. 5 (1989) (Supreme Court reviews lower court opinions based on their plain language); *cf. Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997) (in statutory interpretation, courts do not look beyond the plain meaning of the language used).

B. Respondents Concede a Wide Circuit Split

Petitioner identified six circuits besides the Ninth Circuit that uniformly apply the ordinary lay audience standard. (Pet. at 12-15). Respondents do not discuss any of the cases cited by petitioner, or any other case law, from those six circuits.

Petitioner also identified three circuits applying the specialized audience standard. (Pet. at 16-18). Respondents discuss the Fourth Circuit (which petitioner addresses in § I.C below), but ignore whether this specialized audience standard also applies in the Third and Sixth Circuits, as petitioner argued. (Pet. at 17-18). At minimum, therefore, respondents concede by omission at least a 6-2 circuit split on the audience issue.

C. Respondents Fabricate a "Case-By-Case" Standard Where None Exists

Respondents argue that all the circuits actually apply the specialized audience test on a so-called "case-by-case" basis. (Opp. at 1). This proposition has no basis in reality, and contradicts the case law and all the commentators. Indeed, respondents fail to cite a single authority supporting this proposition.

First, respondents apply their "case-by-case" concept to those circuits employing the specialized audience test when addressing the aesthetic arts. (Opp. at 2-3). However, respondents mislead this Court, and undermine their own argument, by taking liberty with the holding of the single case they cite. Respondents argue the Fourth Circuit in *Dawson v. Hinshaw Music, Inc.*, 905 F.2d 731 (4th Cir. 1990), *cert. denied*, 498 U.S. 981 (1990) held that "inquiry into the perspective of the specialized audience was appropriate *at the Court's discretion* in assessing substantial similarity." (Opp. at 2) (emphasis added). However, the *Dawson* court actually held that "a district court *must* consider the nature of the intended audience of the plaintiff's work." *Dawson*, 905 F.2d at 736 (emphasis added).[1] Thus, the

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[1] Respondents quote from *Dawson* to imply that the difference between the ordinary lay audience and the specialized audience standards is merely a matter of "labels" that need not concern the Court because there is a "consensus as to the nature of the tests applicable to each prong of the substantial similarity inquiry [that] smooths over ... underlying differences in the inquiry's two characterizations." (Opp. at 3, quoting *Dawson*, 905 F.2d at 733 n. 1). However, this quotation does *not* address the issue of audience perspective, and respondents' use is completely out of context and misleading. *See Dawson*, 905 F.2d at 733.

specialized audience test is, in fact, a "line in the sand," as respondents put it.[2]

Second, as to those circuits applying the ordinary lay audience test, respondents try to draw a case-by-case standard out of *Johnson Controls, Inc. v. Phoenix Control Sys., Inc.*, 886 F.2d 1173, 1176 n. 4 (9th Cir. 1989). That decision is inapposite, because it involved an evaluation of highly sophisticated computer software. As petitioner previously noted, courts generally view computer technology as a field apart from the aesthetic arts, and hold that software programs require analysis by persons with expertise in the field. (Pet. at 17-18 & n. 8). *See Computer Associates Intern., Inc. v. Altai, Inc.*, 982 F.2d 693, 713 (2nd Cir. 1992) (recognizing that computer technology is evaluated by the specialized audience standard); M. Nimmer & D. Nimmer, *Nimmer on Copyright*, § 13.03[E][4] at 13-101 (2005). The Ninth Circuit's holding in the computer arena therefore is irrelevant to the issue presented by this petition.[3]

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[2] *See also Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 803 (4th Cir. 2001) ("the court's inquiry *must* be focused upon the perspectives of the persons who comprise" a particular audience) (emphasis added); Binder, Perry Z., *Proof of Music Sampling in Copyright Infringement*, 26 Am.Jur. Proof of Facts 3d 537, § 24 ("several federal circuits have recognized" that certain cases demand that the audience have "the expertise to distinguish among the nuances in the musical compositions presented to them.").

[3] Respondents also cite *Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 210 F.Supp. 2d 147, 161-62 (E.D.N.Y.), *aff'd on other grounds*, 354 F.3d 112 (2d Cir. 2003). However, that district court decision is trumped by the Second Circuit holding in *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d

Thus, in the aesthetic arts seven circuits universally apply the ordinary lay audience test, and three others apply the specialized audience test when presented with complex or sophisticated artistic material. The difference between these two tests is real, significant, and worthy of Supreme Court resolution. (Pet. at 12-21; Brief Amicus Curiae of Meet the Composer, *et al.* at 9-11).

D. The *Newton* Opinion is the Appropriate Vehicle for this Court's Review

To evade the undeniable circuit split on the audience issue, respondents argue the *Newton* case is an inappropriate vehicle for review. (Opp. at 5).

1. The *Newton* Opinion Properly Addresses the Substantiality Issue

Respondents argue *Newton* is distinguishable from all other cases cited in the petition because *Newton* concerns a *de minimis*, rather than a substantial similarity, analysis. But as petitioner explained, *both* analyses use the *exact same test* for substantiality. (Pet. at 11). In fact, the *Newton* court held:

> [A] use is de minimis only if the average audience would not recognize the appropriation... This observation reflects the relationship between the de minimis maxim and the general test for

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127, 130 (2nd Cir. 2003) (applying ordinary observer test), as cited in the Petition (at 18 n. 8).

> substantial similarity, which also looks to the response of the average audience, or ordinary observer, to determine whether a use is infringing... *To say that a use is de minimis because no audience would recognize the appropriation is thus to say that the use is not sufficiently significant.*

(7a-8a) (citations omitted) (emphasis added).

Respondents also cite Nimmer's statement that "'*de minimis* copying' represents simply the converse of substantial similarity." *Nimmer* § 8.01[G] at 8-24. (Pet. at 11; Opp. at 5). Respondents take this statement out of context and turn the intended meaning on its head. In context, Nimmer's statement means where a portion of copied work is so small that it is *de minimis*, the taking is not substantial. In this sense, works that fall on opposite sides of the line between *de minimis* and substantial are deemed the "converse" of one another.[4]

2. The *Newton* Court's Discussion of Expert Testimony is Irrelevant

Respondents also argue the Ninth Circuit in *Newton* contradicts its ordinary lay audience standard by relying on expert testimony. (Opp. at 2). While the Ninth Circuit did discuss expert testimony, this in itself is not remarkable. Respondents' attempt to make it

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[4] *See also Nimmer* § 8.01[G] at 8-24 ("for similarity to be substantial, and hence actionable, it must apply to more than simply a *de minimis* fragment."); *id.* § 13.03[F][5] at 13-145.

seem so is based on an oversimplification of the legal analysis and a misreading of the Ninth Circuit's opinion.

The *Newton* court addressed the expert testimony in the context of separating the elements of Newton's work that are unique to his performance from those contained in the composition. (App. 9a) ("In filtering out the unique performance elements from consideration, and separating them from those found in the composition, we find substantial assistance in the testimony of Newton's own experts."). This was the main point upon which expert testimony was considered. (App. 9a-11a).

The *Newton* court then addressed the substantial similarity test, holding that from the perspective of an ordinary lay audience the sampled compositional material was not substantial. (App. 13a-15a). In its analysis, the court did reference some expert testimony, but did so only in dictum to show that, in the majority's opinion, Newton's own evidence could not support his position. This is clear in the court's preface to this discussion: "To the extent the expert testimony is relevant, it is not helpful to Newton." (App. 14a). If, as respondent argues, expert testimony were necessary to the court's decision, there would be no need for this limiting statement. Similarly, in *Baxter v. MCA, Inc.*, 812 F.2d 421, 423 (9th Cir. 1987), *cert. denied* 484 U.S. 954 (1987), the Ninth Circuit approved the district court's review of lay *and expert* testimony on the question of how an ordinary lay audience would respond to the music under consideration. The district court was faithful to the Ninth Circuit standard, despite its consideration of expert testimony, by restricting its ultimate conclusion

to a subjective reasonableness standard, stating: "This Court's 'ear' is as lay as they come." *Id.*[5] The Ninth Circuit's *holding* in *Newton*, as in *Baxter*, is consistent with the ordinary lay audience standard.[6]

E. Respondents Recognize that the Audience Issue is Ripe for Supreme Court Review

Respondents concede that of all the issues in copyright law, the only one identified by Nimmer as ripe for review is the audience issue. (Opp. at 4-5). Petitioners attempt to limit the damage by arguing the distinction between the ordinary lay audience and the specialized audience is a subset of the broader position taken by Nimmer, i.e. that the audience test ought to be abandoned in each of its configurations. (*Id.*). But Nimmer's central concern is that the ordinary lay

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[5] Respondents attempt to mislead the Court by conflating the objective and subjective prongs of the substantial similarity test. *See Sid & MartyKrofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977) (describing two-prong test). Respondents selectively quote from *Baxter* by omitting that the court's ultimate reliance on the expert testimony was to be limited to the objective prong. *Baxter*, 812 F.2d at 423.

[6] Even if the Ninth Circuit did consider some of the expert testimony in its substantiality holding, this would not mean that the case is unsuitable for Supreme Court review. At most, it would show the Ninth Circuit may be of a mixed mind as to the interplay between the ordinary lay audience standard and the admission of expert testimony. Regardless, the *Newton* case still presents the audience issue as ripe for review, since the question of which audience perspective to apply when evaluating substantiality lies at the heart of the case. In addressing that issue, the Court is free to address the related issue of whether the Ninth Circuit erred in considering expert testimony when addressing a subjective audience response.

audience test "may not always prove an accurate guide to ferreting out the existence of" artistic theft in those cases where the "immediate and spontaneous observations of a person untrained in the special requirements and techniques" of a particular art form "may fail to note similarities that, if analyzed and dissected, would be only too apparent" from a specialized perspective. *Nimmer* § 13.03[E][2] at 13-92. Thus, the issue presented by this petition is precisely the issue motivating Nimmer's conclusion that the audience test is ripe for Supreme Court review.[7]

II. Petitioner's Arguments are Consistent

Petitioner also claims the Ninth Circuit in *Newton* usurped the jury's role by resolving key material issues of fact on summary judgment. Respondents mistakenly allege this claim is inconsistent with petitioner's other argument regarding the audience test.

Petitioner raises two arguments regarding the *Newton* court's misapplication of the summary judgment standard: (1) that the court disregarded expert testimony establishing that the *Choir* excerpt is *qualitatively* significant (Pet. at 22-26), and (2) that the court substituted its own lay opinion of substantiality for that of the jury (Pet. at 26-27). On the first argument, petitioner addressed whether the unique elements of *Choir* derive from the sound recording or

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[7] Even taking respondents' argument at face value, the petition certainly raises the validity of the audience test and presents the Court with the opportunity to abandon the test altogether, clarify which version of the test to validate, create a new application of the test, or devise any other remedy for the circuit split.

the composition. This issue is not relevant to the audience test, as discussed in § I.D.2 above, so there can be no inconsistency. On the second argument, petitioner contends the Ninth Circuit ignored numerous compositional elements by applying an ordinary lay audience standard, rather than a specialized audience standard, in analyzing the unpublished score. There is no inconsistency.

CONCLUSION

Petitioner respectfully requests that the petition for a writ of certiorari be granted.

Respectfully submitted,

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